### AMENDED IN ASSEMBLY MARCH 31, 2009

CALIFORNIA LEGISLATURE—2009-10 REGULAR SESSION

## **ASSEMBLY BILL**

No. 823

# Introduced by Assembly Member Hill (Coauthor: Assembly Member Nestande Coauthors: Assembly Members Jeffries and Nestande)

February 26, 2009

An act to amend Section 44062.3 Sections 44062.1 and 44062.3 of the Health and Safety Code, relating to air pollution.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 823, as amended, Hill. Smog check: vehicle retirement. vehicle repair assistance and retirement program.

(1) Existing law provides for a repair assistance program available to an individual whose maximum income level is 185% of the federal poverty level, or 225% of the federal poverty level if a certain determination is made, and who is the owner of a motor vehicle that has failed a smog check inspection or received a notice to correct, or an individual who has failed a smog check inspection and is directed to a test-only facility.

This bill would make the repair assistance program available only to low-income individuals whose income does not exceed 225% of the federal poverty level, as specified. The bill would make other conforming changes, and delete obsolete provisions of law.

# **Existing**

(2) Existing law establishes a motor vehicle inspection and maintenance (smog check) program, developed, implemented, and administered by the Department of Consumer Affairs. The duty of enforcing and administering the program is vested in the Chief of the

 $AB 823 \qquad \qquad -2 -$ 

Bureau of Automotive Repair within the department. The owner of a motor vehicle that has failed its most recent smog check inspection has the right to retire the vehicle from operation at a dismantler under contract with the Bureau of Automotive Repair, and the department is required to pay this person up to \$1,500, or more if cost effective.

This bill would increase this amount to \$2,000. The bill would authorize the department to offer transit vouchers to the owner of a motor vehicle who retires the vehicle from operation in accordance with the program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 44062.1 of the Health and Safety Code 2 is amended to read:
- 3 44062.1. (a) The department shall offer a repair assistance 4 program through entities authorized to perform referee functions.
- 5 (b) (1) The repair assistance program shall be available to the following eligible individuals:
  - (A) An individual
    - (b) (1) The repair assistance program shall be available to an individual who has a maximum income level of 200 percent of the federal poverty level, as published quarterly in the Federal Register by the Department of Health and Human Services is a low-income motor vehicle owner, and who is either or both of the following:
- 13 <del>(i</del>

7

8

9

10

11 12

17

18

19 20

21

- 14 (A) The owner of a motor vehicle that has failed a smog check 15 inspection.
- 16 <del>(ii)</del>
  - (*B*) The owner of a motor vehicle who was issued a notice to correct for an alleged violation of Section 27153 or 27153.5 of the Vehicle Code involving that vehicle, if the vehicle subject to that notice has failed a smog check inspection subsequent to receiving the notice.
- On and after January 1, 2009, the maximum income level prescribed for this subparagraph shall be set at 185 percent of the federal poverty level, as published quarterly in the Federal Register
- 25 by the United States Department of Health and Human Services.

-3- AB 823

(B) An individual who is the owner of a motor vehicle that has failed a smog check inspection and is directed to a test-only facility pursuant to Section 44010.5 or 44014.7. If the department determines that applications for repair assistance exceed the amount of funds available, to the maximum extent possible, applications from low-income motor vehicle owners shall be given priority over other applications.

- (2) The department shall offer repair cost assistance, funded by the High Polluter Repair or Removal Account in the Vehicle Inspection and Repair Fund created pursuant to subdivision (a) of Section 44091, to individuals based on the cost-effectiveness and air quality benefit of the needed repair. Repair assistance may include retesting costs and the costs of repairs to remedy the violation of Section 27153 or 27153.5 of the Vehicle Code.
- (3) An applicant for repair assistance shall file an application on a form prescribed by the department, and shall certify under penalty of perjury that the applicant meets the applicable eligibility standards.
- (4) Verification of income eligibility shall be based on at least one form of documentation, as determined by the department, including, but not limited to, (A) an income tax return, (B) an employment warrant, or (C) a form of public assistance verification.
- (c) The repair assistance program shall be funded by the High Polluter Repair or Removal Account.
- (d) Repairs to motor vehicles that fail smog check inspections and are subsidized by the state through the program shall be performed at a repair station licensed and certified pursuant to Sections 44014 and 44014.2. Repair Repairs shall be based upon a preapproved list of repairs for cost-effective emission reductions or repairs to remedy a violation of Section 27153 or 27153.5 of the Vehicle Code.
- (e) The qualified low-income motor vehicle owner receiving repair assistance pursuant to this section shall contribute a copayment, as determined by the department as specified in Section 44017.1, either in cash, or in emissions-related partial repairs as verified by a test-only station pursuant to paragraph (2) of subdivision (c) of Section 44015, or a combination thereof. For an owner of a motor vehicle described in subparagraph (B) of paragraph (1) of subdivision (b), the department shall impose a

AB 823 —4—

eopayment at least equivalent to the amount imposed on a low-income individual receiving assistance under this section. If the repair cost exceeds the applicable repair cost limit, the department shall inform a motor vehicle owner of all options for compliance at the time of testing and repair.

- (f) The department may increase its contribution toward the repair of a motor vehicle under this program in excess of the amount authorized for the repair of a high-polluter high polluter pursuant to paragraph (1) of subdivision (b) of Section 44094, if the department determines that the expenditure is cost-effective cost effective. In determining the cost effectiveness of the expenditure, the department shall consider a failure of the visible smoke test, pursuant to Section 44012.1, and the costs associated with repairing a smoking vehicle.
- (g) Notwithstanding subparagraph (A) of paragraph (1) of subdivision (b), the department may increase the maximum income level of a low-income motor vehicle owner under this program from the amount specified in this section, not to exceed 225 percent of the federal poverty level, if the department determines that the increase is capable of being supported within existing budget allocations.

22 <del>(h)</del>

- (g) The department shall collect data from the program to provide information—on how to develop recommendations to improve the program. Data collection shall include all of the following:
- (1) The number of motor vehicle owners that are eligible for repair assistance.
- (2) The number of eligible motor vehicle owners that use repair assistance funds.
  - (3) The potential for fraud.
- 32 (4) The average repair bills.
  - (5) The types of repairs being done.
  - (6) The amount of partial repairs done prior to receipt of repair assistance.
    - (7) The emissions benefits of providing repair assistance.

37 <del>(i</del>

(h) For purposes of this section, "low-income motor vehicle owner" means a person whose income does not exceed 200 225 percent of the federal poverty level, as published quarterly in the

\_5\_ AB 823

Federal Register by the United States Department of Health and
Human Services.

# SECTION 1.

3

4 5

- SEC. 2. Section 44062.3 of the Health and Safety Code is amended to read:
- 44062.3. (a) The owner of a motor vehicle that has failed its 6 7 most recent smog check inspection may retire the vehicle from 8 operation at a dismantler under contract with the Bureau of Automotive Repair. The department shall pay a person who retires 10 his or her vehicle under this section up to two thousand dollars (\$2,000). The department may pay an owner of a motor vehicle 11 12 who elects to retire the vehicle more than two thousand dollars 13 (\$2,000), if the department determines that this payment is cost 14 effective.
- 15 (b) The department may offer transit vouchers to the owner of 16 a motor vehicle who retires a vehicle from operation in accordance 17 with this section.